

1975

Summary of Costs and Income of Layer Flocks on the SDSU Record Program

Phillip E. Plumart
South Dakota State University

Follow this and additional works at: http://openprairie.sdstate.edu/sd_poultry_1975

Recommended Citation

Plumart, Phillip E., "Summary of Costs and Income of Layer Flocks on the SDSU Record Program" (1975). *South Dakota Poultry Field Day Proceedings and Research Reports, 1975*. Paper 2.
http://openprairie.sdstate.edu/sd_poultry_1975/2

This Report is brought to you for free and open access by the Animal Science Reports at Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. It has been accepted for inclusion in South Dakota Poultry Field Day Proceedings and Research Reports, 1975 by an authorized administrator of Open PRAIRIE: Open Public Research Access Institutional Repository and Information Exchange. For more information, please contact michael.biondo@sdstate.edu.

South Dakota State University
Brookings, South Dakota

Department of Animal Science
Poultry-Meats Section

A.S. Series 75-27

Summary of Costs and Income of Layer Flocks
on the SDSU Record Program

Phillip E. Plumart¹

Summaries of the income and flock performance of all 19 flocks closed on the program for this year are included in A.S. Series No. 75-40 entitled "Flock Record Summary." Only those flocks for which additional records were received will be covered in this report. Eight flockowners cooperating in the South Dakota State University Computerized Flock Record Keeping Program submitted operating costs, fixed costs and hired labor figures after their flocks were closed between July 1, 1974, and June 30, 1975.

The figures were submitted to the computer and a business analysis report for each flock was prepared for the flockowner. The report was divided into four sections--income, egg production costs, return to labor and management and flock performance.

The summarized data are compared to the data of 16 other flocks closed out between March, 1972, and July 1, 1973, and 9 flocks closed out between July 1, 1973, and June 30, 1974, as reported in A.S. Series 73-13 (October, 1973) and A.S. Series 74-24 (November, 1974). However, the discussion here will pertain only to the 1974-1975 flocks. The egg production costs section was divided into two parts--operating costs and fixed costs. The average figures and the range for the eight flocks are recorded in tables 1, 2 and 3. The size of each flock for 1974-75 averaged 8,932 birds. The average cost of producing a dozen eggs, excluding labor and management, was 33.41 cents. The average income per dozen for all eggs sold was 44.81 cents, which left the flockowners with a return of 11.40 cents per dozen for labor and management, down 2.34 cents from the previous year.

The initial pullet cost averaged \$1.80, insurance and interest on pullets amounted to another 6.6 cents per pullet and salvage value for the old hens decreased the cost by an average of 18.7 cents per pullet, so that the net cost per pullet was \$1.68. This is an increase of 23.3% over the previous year. The salvage value per pullet housed was down to 18.71 cents in 1975 from 33.90 cents in 1974, a 45% reduction. The net cost of the pullet was 7.31 cents per dozen or about 23% of the cost of production.

Feed accounted for about 70.7% of the cost of production as each dozen eggs took an average of 23.63 cents worth of feed. Feed conversion averaged 4.08 pounds of feed per dozen eggs with the cost of feed ranging from \$103.02 to \$131.13 and averaging \$116.89 per ton.

¹ Associate Professor and Extension Poultryman.

The rest of the operating costs were maintenance, utilities, insurance on buildings and equipment and miscellaneous items that averaged 0.29, 0.51, 0.12 and 0.04 cents per dozen, respectively. Medication was not listed as a separate cost for most of these flocks.

The total operating costs of 31.95 cents per dozen were about 96% of the total cost for producing a dozen eggs excluding labor and management.

Fixed costs are high first costs but represent a very small part of the total cost of producing a dozen eggs. Fixed costs have been cut in half percentagewise as they were 9.83% of the total production costs in 1972-73, whereas in these data fixed costs amounted to 1.47 cents per dozen, about 4.4% of the total production costs for the flocks. Building and equipment depreciation each averaged 0.41 cents, interest on investment averaged 0.55 cents and taxes averaged 0.10 cents per dozen eggs.

Return to labor and management varied from a profit of 3.27 to 20.90 cents per dozen for all eggs sold (table 4). The high income flock used feed costing \$131.13 per ton and averaged 81.76% hen-day production with an income of 46.26 cents for all eggs sold. The lowest income flock showed a \$112.03 per ton feed cost, 64.81% hen-day production and received 42.53 cents per dozen for all eggs sold.

Table 1. Operating Costs of Layer Flocks on the South Dakota State University Flock Record Program, 1972-73¹, 1973-74² and 1974-75³

Factor	Average cost 1972-73 \$	Average cost 1973-74 \$	Average cost 1974-75 \$	Range 1974-75 \$
Initial cost per pullet	1.6700	1.6278	1.8037	1.6000 - 2.1400
Insurance and interest/pullet	0.0872	0.0762	0.0664	0.0101 - 0.1261
Less salvage value/pullet	0.3400	0.3390	0.1871	0.1388 - 0.2793
Net pullet cost	1.4172	1.3650	1.6830	1.4351 - 2.0268
	¢/doz.	¢/doz.	¢/doz.	¢/doz.
Net pullet cost	6.53	6.18	7.31	5.46 - 9.18
Feed cost	14.08	22.25	23.63	13.92 - 30.40
Medication cost	0.02	0.00	0.04	0.00 - 0.28
Maintenance cost	0.11	0.24	0.29	0.04 - 0.67
Utilities cost	0.40	0.46	0.51	0.37 - 0.80
Insurance on bldg. and equip.	0.11	0.14	0.12	0.08 - 0.22
Miscellaneous costs	0.02	0.16	0.04	0.00 - 0.10
Total operating costs	21.26	29.43	31.94	24.07 - 39.66

¹Sixteen different flocks.

²Nine different flocks.

³Eight different flocks.

Table 2. Fixed Costs of Layer Flocks on the South Dakota State University Flock Record Program, 1972-73¹, 1973-74² and 1974-75³

Factor	Average cost per dozen 1972-73 cents	Average cost per dozen 1973-74 cents	Average cost per dozen 1974-75 cents	Range per dozen 1974-75 cents
Building depreciation	0.77	0.56	0.41	0.00 - 0.59
Equipment depreciation	0.82	0.72	0.41	0.00 - 0.74
Interest on investment	0.65	0.53	0.55	0.00 - 1.07
Taxes	0.08	0.11	0.10	0.05 - 0.29
Total fixed costs per dozen	2.32	1.92	1.47	0.05 - 2.32

¹Sixteen different flocks.

²Nine different flocks.

³Eight different flocks.

Table 3. Operating and Fixed Costs for Layer Flocks on the South Dakota State University Flock Record Program, 1972-73¹, 1973-74² and 1974-75³

Factor	Average 1972-73	Average 1973-74	Average 1974-75	Range 1974-75
Flock size	9,101	9,409	8,932	3,137 - 15,210
	¢/doz.	¢/doz.	¢/doz.	¢/doz.
Total operating cost	21.26	29.43	31.94	24.07 - 39.66
Total fixed costs	2.32	1.92	1.47	0.05 - 2.32
Total production costs (excluding labor and mgmt.)	23.58	31.35	33.41	26.38 - 41.26
Average income	22.95	45.09	44.81	38.94 - 48.01
Return to labor and management	-0.63	13.74	11.40	3.27 - 20.90

¹Sixteen different flocks.

²Nine different flocks.

³Eight different flocks.

Table 4. Range of Return Per Dozen to Labor and Management for Layer Flocks, 1972-73¹, 1973-74² and 1974-75³

Return 1972-73	Return 1973-74	Return 1974-75
cents/dozen	cents/dozen	cents/dozen
-4.40 to +6.06	6.20 to 17.87	3.27 to 20.90

¹Sixteen different flocks.

²Nine different flocks.

³Eight different flocks.